

London copper bounces amid inventory jump

LONDON — Copper prices bounced on Wednesday as focus switched to shortages while fund buying added momentum, but concerns about demand prospects in top consumer China were highlighted by rising inventories.

Benchmark copper on the London Metal Exchange (LME) was up 1.2% at \$9,789 a metric ton by 1600 GMT.

Prices of the industrial metal touched a two-month low of \$9,551 on Tuesday, hit by fading hopes of growth recovery in China.

Anglo American said on Tuesday that copper output at its Los Bronces mine in Chile is expected to fall by nearly a third from average historical levels next year as it halts a plant for maintenance that could take a couple of years.

Expectations of shortages and the prospect of strong demand in coming years drove LME copper to records above \$11,100 in May. However, prices have since retreated on uncertainty about the timing of interest rate cuts in the United States.

Lower US rates would weigh on the US currency, making dollar-priced metals cheaper for holders of other currencies, potentially boosting demand.

Weak demand in China can be seen in copper inventories in LME-approved warehouses, mostly in Asia. At 158,700 tons, stocks have climbed more than 50% since the middle of May.

The discount, or contango, for cash metal over the three-month contract is around \$139 a ton, hovering near record highs that indicate surpluses of the metal used in the power and construction industries.

Industrial metals markets were also awaiting news on Chinese interest rates on Thursday.

In other metals, aluminum rose 0.3% to \$2,494 a ton; zinc gained 1% to \$2,866.50; lead was up 0.3% at \$2,199; tin advanced by 0.7% to \$32,370; and nickel added 0.5% to \$17,385. — Reuters

SPOT PRICES

WEDNESDAY, JUNE 19, 2024

METAL	
PALLADIUM free \$/troy oz	911.50
PALLADIUM JMI base, \$/troy oz	917.00
PLATINUM free \$/troy oz	983.10
PLATINUM JMI base \$/troy oz	989.00
KRUGGERAND, fob \$/troy oz	2,323.00
IRIDIUM, whs rot, \$/troy oz	4,715.00
RHODIUM, whs rot, \$/troy oz	4,615.00
GRAINS (June 13, 2024)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1 st Class, \$/ton	935.00
FRAGRANT (100%) 2 nd Class, \$/ton	908.00
RICE (5%) White Thai- \$/ton	645.00
RICE (10%) White Thai- \$/ton	644.00
RICE (15%) White Thai- \$/ton	624.00
RICE (25%) White Thai- \$/ton (Super)	624.00
BROKER RICE A-1 Super \$/ton	469.00
FOOD	
COCOA ICCO Dly (SDR/mt)	6,313.29
COCOA ICCO \$/mt	8,317.88
COFFEE ICA comp '2001 cts/lb	224.71
SUGAR ISA FOB Daily Price, Carib. port cts/lb	19.05
SUGAR ISA 15-day ave.	18.95

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
July	4,235	4,083	4,205	4,108
Sept.	4,085	3,974	4,060	3,994
Jan.	3,750	3,686	3,731	3,704
Mar.	3,647	3,611	3,644	3,616

LIFFE COCOA

(Ldn)-10 MT-£/ton

	High	Low	Sett	Psett
July	8,589	8,252	8,516	8,484
Sept.	7,797	7,507	7,767	7,686
Mar.	5,767	5,658	5,687	5,745
May	5,528	5,383	5,415	5,506

COCONUT

COCONUT OIL (PHIL/IDN), \$ per ton	
CIF Europe	Buyer/Seller
June/July'24	0.00/1,350.00
July/Aug.'24	0.00/1,350.00
Aug./Sept.'24	0.00/1,352.50
Sept./Oct.'24	0.00/1,357.50
Philippine Coconut Oil - Crude	
CIF NY/NOLA	69.50
FOB RAIL/NOLA	74.50
COCONUT OIL (US)-cents/lb	
Crude CIF, NY Nola	35.00
Crude FOB rail Nola	37.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT	
3 MOS.	
ALUMINUM H.G.	2,499.00
ALUMINUM Alloy	2,285.00
COPPER	9,786.00
LEAD	2,198.50
NICKEL	17,372.00
TIN	32,384.00
ZINC	2,869.00

Oil prices edge down after hitting 7-week highs on demand hopes

OIL PRICES dipped on Wednesday after hitting seven-week highs as summer demand optimism and concerns over escalating conflicts offset an industry report that said US crude inventories unexpectedly rose.

Brent crude futures slipped six cents or 0.1% to \$85.27 a barrel by 1943 GMT, while US West Texas Intermediate (WTI) crude was down 10 cents or 0.1% at \$81.47 per barrel.

Brent reached \$85.84 a barrel earlier in the session, its highest since May 1, while WTI traded up to \$81.96 a barrel, the highest level since April 30.

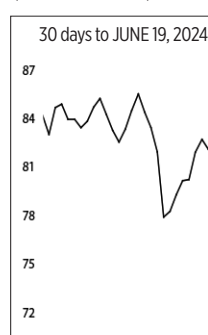
Trading activity was thin due to a US federal holiday.

"The current snapshot presents an underwhelming picture but there are green shoots that indicate a more optimistic outlook," said Tamas Varga of oil broker PVM.

The Brent price being \$8 over the lows hit in early June "shows genuine optimism that the global oil balance will eventually tighten," Mr. Varga added.

ASIA-DUBAI

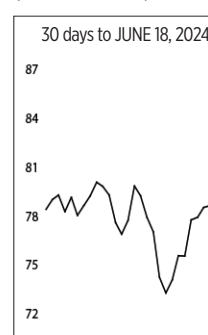
(JUNE CONTRACT)



	June 12	13	14	18	19
\$/bbl	82.66	82.05	82.29	83.34	84.04
Average (June 3-19)	\$81.17				
Average (May 2-31)	\$84.04				

NEW YORK-WTI

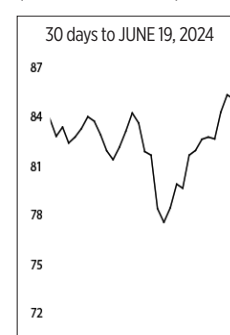
(JULY CONTRACT)



	June 12	13	14	17	18
\$/bbl	78.50	78.62	78.45	80.33	81.57
Average (June 3-18)	\$77.14				
Average (May 1-31)	\$78.62				

LONDON-BRENT

(AUGUST CONTRACT)



	June 13	14	17	18	19
\$/bbl	82.75	82.62	84.25	85.33	85.07
Average (June 3-19)	\$81.53				
Average (May 1-31)	\$83.00				

Source: REUTERS

Both benchmarks, having recovered strongly in the last two weeks, gained more than \$1 in the previous session after a Ukrainian drone strike led to an oil terminal fire at a major Russian port.

In the Middle East, Israeli Foreign Minister Israel Katz warned of a possible "all out war" with Lebanon's Hezbollah, even as the

US attempted to avoid a broader conflict between Israel and the Iran-backed group.

An escalating war risks supply disruption in the oil-producing region.

"The potential escalation of tensions in the Middle East is adding some supply risk to the oil demand equation," said Bart

Melek, head of commodity strategy at TD Bank, adding recent US economic data supported bets the US Federal Reserve would move towards cutting interest rates in coming months.

China data this week showed May industrial output lagged expectations, but retail sales, a gauge of consumption, marked the quickest growth since February.

Meanwhile, US crude stocks rose by 2.264 million barrels in the week ended June 14, market sources said on Tuesday, citing American Petroleum Institute figures. Analysts polled by Reuters had expected a 2.2-million barrel draw in crude stocks.

However, gasoline inventories fell by 1.077 million barrels, while distillates rose by 538,000 barrels, the sources said, speaking on condition of anonymity.

Official stocks data from the US Energy Information Administration is due on Thursday. — Reuters

Gold prices inch higher on weak US economic data

GOLD PRICES edged up on Wednesday after data suggesting lackluster US economic activity kept alive hopes for at least one interest rate cut this year.

Spot gold was up 0.1% at \$2,330.23 per ounce as of 12:32 p.m. ET (1632 GMT). Most of the markets in the US are closed for the Juneteenth holiday.

US retail sales barely rose in May and figures for the prior month were revised considerably lower, data showed on Tuesday, suggesting economic activity remained lackluster in the second quarter.

That slightly boosted the odds of a US Federal Reserve rate cut in September to 67% from 61% a

day earlier, the CME FedWatch tool showed.

The main drive for gold's price action remains the market expectations over the Fed's monetary policy and despite prices creeping up, the move is quite subdued

as the market waits for more substantial news, said Ricardo Evangelista, senior analyst at ActivTrades.

Lower interest rates reduce the opportunity cost of holding non-yielding bullion.

"Market expectations point to at least one rate cut from the Fed. That scenario has been fully priced in the value of the dollar. Government purchases (of gold) remain stable as well. So, unless there is any significant change in this scenario, prices are expected to remain supported above the \$2,300 level," Mr. Evangelista said.

Gold prices rose about 1.3% last Friday on signs of inflation cooling in the United States

amid a sell-off across European equities as French stocks were battered by political turmoil.

Political uncertainty surrounding Europe can be a positive, with elections in France and the UK nearing, Kinesis Money market analyst Carlo Alberto De Casa said.

The more immediate focus, however, is on the US weekly jobless claims data on Thursday and flash purchasing managers' indexes on Friday.

Spot silver was up 0.6% at \$29.69 per ounce; platinum rose 0.8% to \$977.49; and palladium gained 2.1% to \$905.51. — Reuters

Wage, from S1/1

what will justify the amount of the increase," Board Chairperson Sarah Buena S. Mirasol told reporters after the public hearing.

The wage board is set to release its decision on or before July 20, the anniversary of the last wage order in the capital region.

The daily minimum wage in NCR is P610 for nonagriculture and P573 for agriculture, service/retail establishments with 15 workers or less, and manufacturing establishments regularly employing fewer than 10 workers.

At the hearing, the Confederation of Wearable Exporters of the Philippines (CONWEP) sought a one-year moratorium on wage hikes in NCR saying the garments export industry is still struggling.

A one-year moratorium would allow exporters to fully recover and preserve the jobs of factory workers until orders stabilize by 2025, CONWEP Associate Director Rosette D. Carillo said.

"Major global markets like the US and EU are buying less [and] this is expected until 2025. Orders are coming in less and lower prices are impacting our industry's exports, with a downward trend since 2022. Based on our members' survey, exports are projected to further decline by 11% this year," she told *BusinessWorld* in a text message.

Ms. Carillo said any wage increases this year would drive up business costs, which may force manufacturers to shed jobs.

"Our members are challenged with fewer orders to maintain operations in the country... The migration of orders already experienced before might continue and lead to more job losses," Ms. Carillo added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort told *BusinessWorld* the one-year moratorium on wage hikes could help ease inflationary pressures.

He noted there are second-round inflationary effects whenever there are wage hikes, as some businesses pass on these costs to consumers by raising selling prices.

Meanwhile, Renato B. Almeda, an Employers Confederation of the Philippines (ECOP) governor, told the same public hearing his members could only afford a P15-P16 increase in the daily minimum wage.

In an interview with *BusinessWorld*, Butch C. Guerrero, another ECOP governor, said a P15 hike in daily wages for agricultural workers and P16 for non-agricultural workers are the appropriate increases considering inflation.

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link tinyurl.com/27yww2cc

BoP, from S1/1

Latest data from the local statistics agency showed the trade deficit shrank by an annual 15.7% to \$16.27 billion in the January-to-April period.

At its end-May position, the BoP reflects a gross international reserve (GIR) level of \$105 billion, up by 2.3% from \$102.6 billion as of end-April.

The level of dollar reserves was enough to cover 7.7 months of imports and payments of services and primary income. It was also about 6.1 times the country's short-term external debt based on original maturity and 3.8 times based on residual maturity.

An ample level of foreign exchange buffers safeguards an economy from market volatility and is an assurance of the country's capability to pay debts in the event of an economic downturn.

Security Bank Corp. Chief Economist Robert Dan J. Roces said the growth in cash remittances would help support the BoP position.

"This bodes well for the Philippine peso as it suggests a healthy balance of payments surplus. While the peso has weakened slightly so far this year, a potential rise in tourism and business process outsourcing (BPO) could help it recover," he said in a Viber message.

Separate BSP data showed that cash remittances rose by 2.8% to \$10.782 billion for January to April.

In May, the peso sank to the P58-per-dollar level for the first time since November 2022.

"We expect a BoP surplus for the year and a slightly stronger peso by yearend," Mr. Roces added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the BoP position could improve and lead to an increase in gross international reserves in the coming months.

Mr. Ricafort said this could be due to global bond issuances this year, as well as official development assistance.

The government's borrowing plan is set at P2.57 trillion this year, 25% of which will come from foreign sources.

Mr. Ricafort also cited the continued growth in OFW remittances, BPO revenues, foreign tourism receipts and other structural US dollar inflows as factors that will boost the BoP position.

The central bank projects a BoP surplus of \$1.6 billion this year, equivalent to 0.3% of gross domestic product.

Sa panahon ng kalamidad, bawat minuto ay mahalaga. Kaya ang pagtulong sa mga nasalanta ay hindi dapat pinatatagal pa.

Sa mga ganitong pagkakataon, ang PAGCOR ay laging handang tumugon. Kung saan at kailan may pangangailangan, PAGCOR ay maaasahan ng sambayanan.

DAHIL BAWAT BUHAY MAHALAGA

Philippine Amusement and Gaming Corporation